

Black Capital in Minnesota, 2013

Bruce P. Corrie, PhD
Professor of Economics

Concordia University-St. Paul

with Jalene Burka and Cristina Corrie

Council on
 *Black Minnesotans*

Executive Summary

The report uses the framework of “Black Capital” to document the multiple contributions of people of African descent to Minnesota: as consumers, entrepreneurs, human capital, workers, global networks, cultural assets, taxpayers and civic assets.

In Minnesota people of African descent represent:

- \$ 3 billion in consumer power
- 287, 165 people of African descent
- Over 12,00 firms with almost a billion in sales employing over 10,000 people with an annual payroll of \$258 million.
- Ranked as a group, Black firms would be the 21st largest employer in Minnesota.
- Top occupations are Management, Service and Sales with close to 80 percent of the workforce in those occupations
- African immigrants make up 25 percent of the Black population and 18 percent of all immigrants in Minnesota
- People of African descent pay almost half a billion in state and local taxes annually in Minnesota.
- Minnesota exported almost \$200 million to African countries in 2012.
- Lifetime earnings of people of African descent is an estimated \$388 billion with a projected total tax payments in Minnesota of \$28 billion over their lifetime.
- People of Africa descent make up at least 10 percent of the 22 House and 10 Senate districts. In 4 House and 2 Senate districts they make up more than 30 percent of the population



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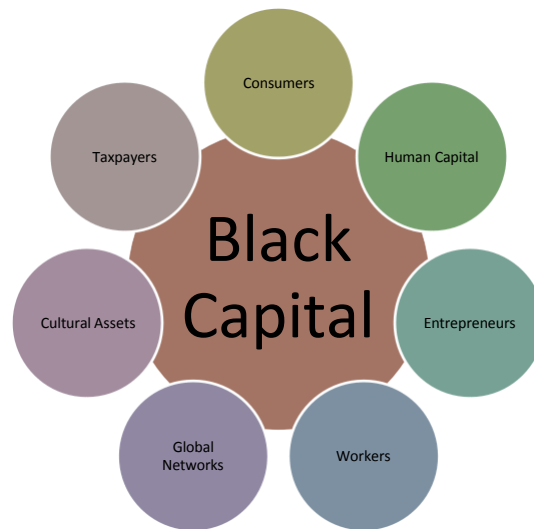
Research Assistance: Jalene Burka (12th Grade
Student)

Black Capital

The report uses the concept of “Black Capital” to document the many contributions of people of African descent to Minnesota¹.

Consumers – people of African descent buy goods and services and through this help create jobs and create wealth in Minnesota

Human Capital – people of African descent by virtue of their educational background and skills help create wealth in Minnesota.



Entrepreneurs – people of African descent start businesses both in depressed neighborhoods as well as in manufacturing and technology creating jobs and providing goods and services to Minnesota.

Workers – people of African descent work in high and low skilled jobs all across Minnesota and keep Minnesota’s business productive.

Global Networks- people of African descent through their global networks connect Minnesotans to trade and investment opportunities across the global economy.

Cultural Assets - people of African descent through their food, music, art and entertainments help provide a rich cultural infrastructure in Minnesota that will be attractive to investors and talent.

Taxpayers – people of African descent pay federal, state and local taxes in Minnesota

Civic Capital – people of African descent are actively engaged in the civic life of Minnesota.

¹ See www.ethniccapital.com

Key Demographics, 2012²



Key Demographics, 2012

- 287,165 people
- Relatively young with the median age of 27 years
- 25 percent are foreign born
- 55 percent have educational degrees beyond high school

Source: American Community Survey 2011, 2012

Age Group	Percent
Under 5 years	9.8%
5 to 17 years	23.5%
18 to 24 years	12.3%
25 to 34 years	17.7%
35 to 44 years	14.1%
45 to 54 years	11.5%
55 to 64 years	7%
65 to 74 years	2.7%
75 years and over	1.4%
Median age(years)	27.5
Source: ACS 2012	

² Source: American Community Survey 2012

Human Capital



Black Human Capital

- 55 percent have degrees higher than high school with 7 percent having graduate or professional degrees.
- 104,203 Black students are enrolled in pre-12 or college or university programs.
- The lifetime earnings of Blacks in the workplace is an estimate \$243 billion
- People of African descent offer Minnesota a potential of lifetime earnings estimated to be over \$388 billion
- If all the current high School students of African descent in Minnesota (25 207) graduate with a Bachelor's degree they would represent a lifetime earnings of \$61 billion and generate an estimated \$7 billion state and local taxes in Minnesota over their lifetime.

Emerging Human Capital, 2012

Population 3 years and over enrolled in school	104,203
Nursery school, preschool	7.1%
Kindergarten	4.0%

Elementary school (grades 1-8)	39.9%
High school (grades 9-12)	20.6%
College or graduate school	28.5%

Source: ACS 2012

Black Educational Attainment 2012

Population 25 years and over	156,284
Less than high school diploma	19.1%
High school graduate (includes equivalency)	25.8%
Some college or associate's degree	34.7%
Bachelor's degree	13.1%
Graduate or professional degree	7.3%

Source: ACS 2012

By having a 50 % Black high school student graduating rate in Minnesota the state and student loses \$13 billion in additional life time earnings and the state loses tax revenue of \$1.5 billion over the lifetime of the students.

Black Consumer Power



Where do Black People Spend their Money in Minnesota? (Consumer Expenditure Survey 2010)

Food at home	\$ 238 million
Food away from home	\$ 134 million
Housing	\$ 1.1 Billion
Utilities, fuels, and public services	\$290 million
Housekeeping supplies	\$ 37 million
Furniture	\$ 30 million
Major appliances	\$ 12 million
Small appliances, miscellaneous housewares	\$ 3 million
Apparel and services	\$131 million
Cars and trucks, new	\$ 70 million
Cars and trucks, used	\$ 82 million
Gasoline and motor oil	\$ 180 million
Maintenance and repairs	\$ 46 million
Vehicle insurance	\$ 67 million
Public and other transportation	\$21 million
Health insurance	\$ 110 million
Medical services	\$ 25 million
Drugs	\$ 21 million
Medical supplies	\$ 3 million
Entertainment	\$122 million
Personal care products and services	\$ 43 million
Education	\$ 40 million
Tobacco products and smoking supplies	\$ 21 million
Cash contributions	\$ 110 million
Personal insurance and pensions	\$311 million

Hennepin	\$845 million
Ramsey	\$453 million
Anoka	\$131 million
Washington	\$115 million
Dakota	\$109 million
Scott	\$48 million
Olmsted	\$45 million
Carver	\$22 million
Stearns	\$21 million
St. Louis	\$16 million
Wright	\$15 million
Blue Earth	\$11 million

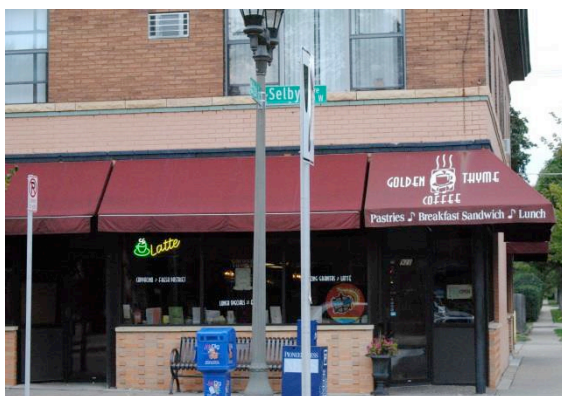
Steele	\$10 million
Sherburne	\$8 million
Mower	\$7 million

Minnesota \$ 3 billion

Source: ACS 2009, Author estimates

People of African descent in Minnesota have a consumer power of over \$3 billion dollars annually. Their spending on goods and services help keep the engine of economic growth churning in the inner city, suburbs and rural areas.

Black Entrepreneurs³



Black Firms, 2007

<i>Firms</i>	12454
<i>Sales</i>	\$917 million
<i>Employees</i>	10, 476
<i>Payroll</i>	\$258 million

Top Sectors	Firms	Sales (\$)
Health care and social assistance	2,536	138 million
Transportation and warehousing	2,305	90 million
Professional, scientific, and technical services	1,534	126 million
Other services (except public administration)	1,352	29 million
Administrative and support and waste management and remediation services	1,156	160 million

Ranked as a group, Black owned businesses would be the 36th largest business in Minnesota in terms of revenue – larger than Tenant Company or Fair Isaac Co. They would also be the 21st largest employer – employing more people than Mosaic Co.

3 percent of workers are self-employed.

Black Female Owned Firms, 2007

Top Sectors	Firms	Sales(\$)
Health care and social assistance	1,687	43 million
Other services (except public administration)	856	11 million
Administrative and support and waste management and remediation services	653	11 million
Professional, scientific, and technical services	612	69 million
Retail trade	438	36 million
Construction	94	893,000
Transportation and warehousing	41	8 million
Information	13	93,000

³ Survey of Business Owners 2007

Black Workers



Civilian employed population 16 years and over	109,816
Management, business, science, and arts occupations	30.3%
Service occupations	28.5%
Sales and office occupations	22.8%
Natural resources, construction, and maintenance occupations	1.7%
Production, transportation, and material moving occupations	16.6%
Sources: ACS 2012	

BLACK INDUSTRY PRESENCE 2012

Civilian employed population 16 years and over	109,816
Agriculture, forestry, fishing and hunting, and mining	0.1%
Construction	1.2%
Manufacturing	12.8%
Wholesale trade	0.7%
Retail trade	9.0%
Transportation and warehousing, and utilities	4.4%
Information	1.8%
Finance and insurance, and real estate and rental and leasing	8.0%
Professional, scientific, and management, and administrative and waste management services	9.1%
Educational services, and health care and social assistance	35.3%
Arts, Entertainment, Recreation	9 %

Source: ACS 2012

Top Occupations for people of African descent are
Management; Service and
Sales and office occupations

Top Industries for people of African descent are
Education, health care and
social services;
Manufacturing and
Retail/Arts.

Black Females – Top Occupations, 2011

Management, business, science, and arts occupations	28.2%
Service occupations	34.6%
Sales and office occupations	27.9%
Natural resources, construction, and maintenance occupations	0.5%
Production, transportation, and material moving occupations	8.8%

Black Cultural Capital

Media	Number- African Descent
Press	11
Radio	10
Community TV	12
MN Department of Health Diverse Media Directory 2012	

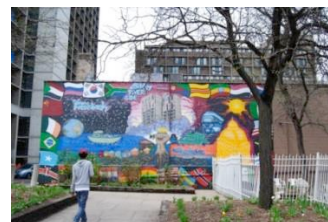
Rich contributions of Cultural assets by people of African descent helps build the global cultural infrastructure in Minnesota making it an attractive place for business and global talent to locate and grow the local economy.



Ethiopian Community in Minnesota



Organization of Liberians in Minnesota
Serving the Liberian Community in Minnesota





TOTAL	\$ 188 million
333--MACHINERY; EXCEPT ELECTRICAL	\$ 54 million
334--COMPUTER AND ELECTRONIC PRODUCTS	\$ 36 million
336--TRANSPORTATION EQUIPMENT	\$ 33 million
311--FOOD MANUFACTURES	\$ 20 million

Africa:	2,677	6,141	16,460	10,371
Eastern Africa:	759	1,250	13,684	7,876
Eritrea	0	0	273	359
Ethiopia	621	514	3,181	3,550
Kenya	104	329	932	524
Other Eastern Africa	34	407	9,298	3,443
Middle Africa:	0	171	47	146
Cameroon	0	171	15	134
Other Middle Africa	0	0	32	12
Northern Africa:	0	36	466	366
Egypt	0	28	143	109
Morocco	0	0	196	62
Sudan	0	8	95	182
Other Northern Africa	0	0	32	13
Southern Africa:	14	0	68	76
South Africa	14	0	39	64
Other Southern Africa	0	0	29	12
Western Africa:	1,843	4,426	1,813	1,458
Cape Verde	0	0	0	0
Ghana	240	217	97	192
Liberia	1,366	2,979	948	585
Nigeria	128	958	309	358
Sierra Leone	2	55	56	50
Other Western Africa	107	217	403	273
Africa, n.e.c.	61	258	382	449

Source: ACS 2007-11

African Immigrant Capital, 2012

- * 73,059 people in MN
- * Buying Power - \$1.4 billion (almost GDP of Liberia in 2011)
- * Over 500 businesses
- * 18 % of immigrants
- * 75 % Renters.
- * MN Exports to Africa – 188 million in 2012
- * 75.8 percent in the workforce
- * Median household income \$ 29,468
- * 65 percent enrolled in high school or college – future human capital of Minnesota

Minnesota has a rich global network in its African immigrant population

Minnesota exported 188 million dollars' worth of good to Africa in 2012

Minnesota's African immigrants can help bring new trade and investment opportunities to the state.

Black Tax Payers⁴



County	Annual Tax Payments
Hennepin	\$129 million
Ramsey	\$70 million
Anoka	\$20 million
Washington	\$18 million
Dakota	\$17 million
Scott	\$7 million
Olmsted	\$7 million
Carver	\$3 million
Stearns	\$3 million
St. Louis	\$2 million
Wright	\$2 million
Blue Earth	\$2 million
Steele	\$1 million
Sherburne	\$1 million
Mower	\$1 million

Source: ACS 2009, Author estimates

People of African descent pay an estimated \$489 million in taxes annually in Minnesota in state and local taxes.

Workers of Black descent are estimated to pay \$28 billion in state and local taxes over their lifetime earnings.



⁴ Taxes are estimated as 11.5 percent of total income as per estimate of Minnesota's Tax Incidence Study.

Black Political Capital⁵



Total Citizens **142,000**
 Total Registered **95,000**
 Percent Registered **52.90%**
 Total Voted **88,000**
 Percent Voted **49%**
 Census CPS, 2012

House Districts	Black	Percent
59B	16,050	40.5
59A	15,595	39.3
40A	13,748	34.8
65A	12,983	32.8
62A	10,957	27.7
40B	10,284	26
62B	7,970	20.1
67B	7,893	19.9
60B	7,609	19.2
66B	7,364	18.7
65B	6,353	16.1
67A	6,138	15.6
45A	5,289	13.4
60A	5,000	12.6
45B	4,635	11.8
36B	4,628	11.7
50A	4,471	11.3
51A	4,433	11.2
46B	4,357	11.1
63A	4,382	11
41B	4,306	10.9
41A	4,259	10.8

In 10 MN Senate and
 22 MN House districts
 Blacks make up at
 least 10 percent of the
 population.

 In 4 House and 2
 Senate Districts Blacks
 make up at least 30
 percent of the
 population

Senate Districts	Black	Percent
59	31,645	39.9
40	24,032	30.4
65	19,336	24.5
62	18,927	23.9
67	14,031	17.7
60	12,609	15.9
66	10,004	12.7
45	9,924	12.6
41	8,565	10.8
63	7,963	10.1

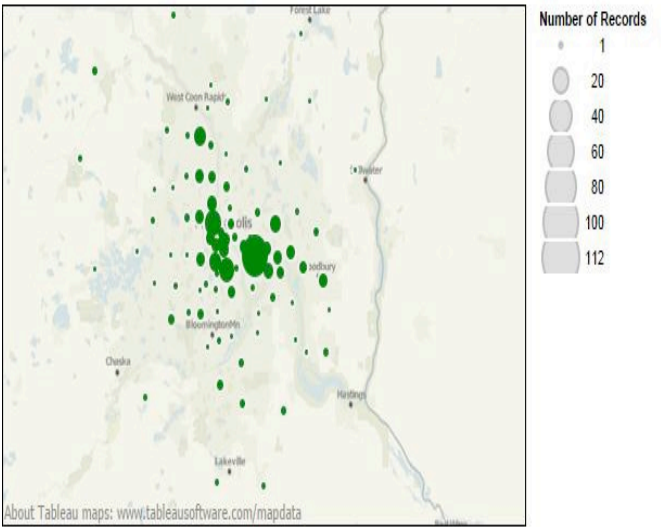
⁵ House and Senate district data from <http://www.gis.leg.mn/gis.html>

Black Capital – Minnesota Impact



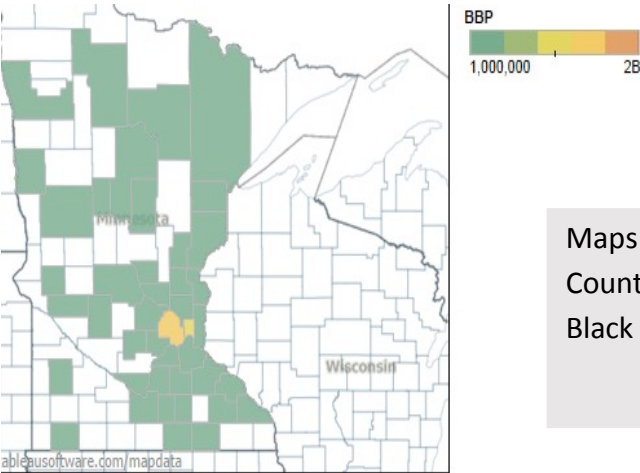
A 2008 econometric study, (using an economic model of EMSI) by the author found that Black Workers in Minnesota had a \$9.6 billion dollar impact on the Minnesotan economy.

Sheet 1



Maps Showing Black Firms in the Metro Area Data from author database.

Map based on Longitude (generated) and Latitude (generated). Size shows sum of Number of Records. Details are shown for ZIP_CODE.



Maps Showing Black Buying Power by MN County, 2009. Author estimates. BBP – Black buying Power. Color coded Range

Map based on Longitude (generated) and Latitude (generated). Color shows sum of BBP. Details are shown for ZIP_CODE.

Black Capital in Minnesota Schools

Dakota	LAKEVILLE PUBLIC SCHOOL DISTRICT	\$ 1 billion	\$130 million
Dakota	INVER GROVE HEIGHTS SCHOOLS	\$ 1 billion	\$120 million
Kandiyohi	WILLMAR PUBLIC SCHOOL DISTRICT	\$ 1.1 billion	\$128 million
Hennepin	EDINA PUBLIC SCHOOL DISTRICT	\$ 1.1 billion	\$132 million
Rice	FARIBAULT PUBLIC SCHOOL DISTRICT	\$ 1.1 billion	\$127 million
Ramsey	WHITE BEAR LAKE SCHOOL DISTRICT	\$ 1.2 billion	\$137 million
Dakota	WEST ST. PAUL-MENDOTA HTS.-EAGAN	\$ 1.3 billion	\$147 million
Hennepin	WEST METRO EDUCATION PROGRAM	\$ 1 billion	\$126 million
Scott	SHAKOPEE PUBLIC SCHOOL DISTRICT	\$ 1.3 billion	\$155 million
Anoka	SPRING LAKE PARK PUBLIC SCHOOLS	\$ 1.5 billion	\$169 million
Hennepin	TWIN CITIES INTERNATIONAL ELEM SCH.	\$ 1.4 billion	\$166 million
Hennepin	HARVEST PREP SCHOOL-SEED ACADEMY	\$ 1.1 billion	\$127 million
St. Louis	DULUTH PUBLIC SCHOOL DISTRICT	\$ 1.8 billion	\$207 million
Ramsey	HIGHER GROUND ACADEMY	\$ 1.7 billion	\$200 million
Anoka	FRIDLEY PUBLIC SCHOOL DISTRICT	\$ 1.8 billion	\$206 million
Blue Earth	MANKATO PUBLIC SCHOOL DISTRICT	\$ 2 billion	\$233 million
Hennepin	BROOKLYN CENTER SCHOOL DISTRICT	\$ 2 billion	\$231 million
Hennepin	MINNESOTA TRANSITIONS CHARTER SCH	\$ 2 billion	\$222 million
Hennepin	WAYZATA PUBLIC SCHOOL DISTRICT	\$ 2.1 billion	\$247 million
Hennepin	RICHFIELD PUBLIC SCHOOL DISTRICT	\$ 2.2 billion	\$260 million
Ramsey	ROSEVILLE PUBLIC SCHOOL DISTRICT	\$ 2.3 billion	\$272 million
Ramsey	MOUNDS VIEW PUBLIC SCHOOL DISTRICT	\$ 2.5 billion	\$289 million
Hennepin	ST. LOUIS PARK PUBLIC SCHOOL DIST.	\$ 2.4 billion	\$282 million
Anoka	COLUMBIA HEIGHTS PUBLIC SCHOOL DIST	\$ 2.7 billion	\$313 million
Hennepin	EDEN PRAIRIE PUBLIC SCHOOL DISTRICT	\$ 3 billion	\$343 million
Washington	SOUTH WASHINGTON COUNTY SCHOOL DIST	\$ 3.7 billion	\$432 million
Hennepin	HOPKINS PUBLIC SCHOOL DISTRICT	\$ 3.6 billion	\$416 million
Ramsey	NORTH ST PAUL-MAPLEWOOD SCHOOL DIST	\$ 4.3 billion	\$502 million
Hennepin	BLOOMINGTON PUBLIC SCHOOL DISTRICT	\$ 4.8 billion	\$553 million
Dakota	BURNSVILLE PUBLIC SCHOOL DISTRICT	\$ 4.9 billion	\$564 million
Stearns	ST. CLOUD PUBLIC SCHOOL DISTRICT	\$ 5.1 billion	\$587 million
Olmsted	ROCHESTER PUBLIC SCHOOL DISTRICT	\$ 5.2 billion	\$604 million
Dakota	ROSEMOUNT-APPLE VALLEY-EAGAN	\$ 7.3 billion	\$842 million
Hennepin	ROBBINSDALE PUBLIC SCHOOL DISTRICT	\$ 8.4 billion	\$973 million
Anoka	ANOKA-HENNEPIN PUBLIC SCHOOL DIST.	\$ 9.6 billion	\$1.1 billion
Hennepin	OSSEO PUBLIC SCHOOL DISTRICT	\$12.2 billion	\$1.4 billion
Ramsey	ST. PAUL PUBLIC SCHOOL DISTRICT	\$27.1 billion	\$3.1 billion
Hennepin	MINNEAPOLIS PUBLIC SCHOOL DIST.	\$31 billion	\$3.5 billion

Research and Methodology Notes

1. Human Capital: Lifetime earnings estimated from American Community Survey, 2011: Synthetic Lifetime Earnings by Education Estimate using Black educational data for Minnesota from ACS 2009-11.
2. Consumer Power: Buying Power is calculated taking total household income minus 25 percent federal, state and local taxes. Spending in Minnesota attributed to the Black population is estimated taking the share of expenditures in each category from national data reported in the Consumer Expenditure Survey.
3. Black Capital in Minnesota Schools: School data from the Minnesota Department of Education. Lifetime earnings calculated using ACS Lifetime Earnings Estimate, 2011. Lifetime tax payments calculated using 11.5 percent average tax rate of Minnesota citizens as estimated by the Minnesota Tax Incidence Study.
4. Photo of Justice Wright on cover page from <http://www.flickr.com/photos/governordayton/7832054976/sizes/m/in/set-72157631178310516/>. Creative Commons License.
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9. Trade data with Africa taken from (www.tse.export.gov)